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9/5/2001
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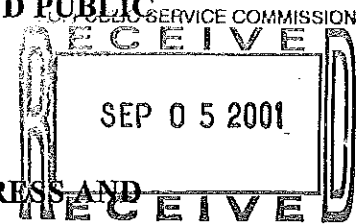
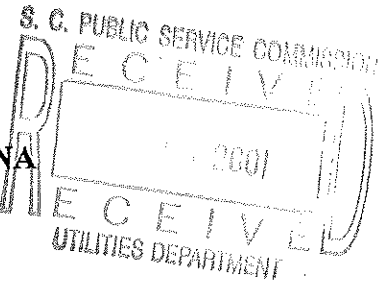
TESTIMONY OF A. R. WATTS

FOR

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2001-289-E

IN RE: APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY
FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY



Q. WOULD YOU PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION?

A. A. R. Watts, 101 Executive Center Drive, Columbia, South Carolina. I am employed
by the Public Service Commission of South Carolina, Utilities Department, as Chief
of Electric.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.

A. I received a Bachelor of Science Degree in Electrical Engineering from the
University of South Carolina in Columbia in 1976. I was employed at that time by
this Commission as a Utilities Engineer in the Electric Department and was
promoted to Chief of the Electric Department in August 1981. I have been in my
current position since October 1999. I have testified before this Commission in
conjunction with fuel clause, complaint, territorial assignment, Siting Act and
general rate proceedings.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
PROCEEDING?

A. The purpose of my testimony is to provide the results of Staff's review of the
proposal of South Carolina Electric & Gas Company for a Certificate of Public
Convenience and Necessity for the construction and operation of the Killian
230/115kV substation located near Killian in Richland County.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF THE PROJECT.

1 A. The proposed facility includes a 336 MVA transformer, metering, switching
2 equipment, two 230 kV transmission line terminals, and four 115 kV transmission
3 line terminals. The facility is proposed to be located on a 10.12 acre tract of land
4 with a construction footprint of approximately five acres. The Company intends
5 there to be a tree and shrub buffer around the majority of the perimeter. The facility
6 is proposed to be completed and in operation by May 1, 2002.

7 **Q. WHAT IS REQUIRED OF THE APPLICANT, PER THE SITING ACT,**
8 **PRIOR TO THE APPLICATION BEING FILED WITH THE PUBLIC**
9 **SERVICE COMMISSION?**

10 A. The Applicant must serve a copy of the application on the chief executive officer of
11 each municipality and the head of each State and local government agency, charged
12 with the duty of protecting the environment or of planning land use, in the area in the
13 county in which any portion of the facility is to be located. A notice accompanying
14 the application is required which specifies the date on or about which the application
15 is to be filed. Public notice of applicant's intent to file with the Commission shall be
16 given in the affected areas via newspapers of general circulation.

17 **Q. HAS THE COMPANY COMPLIED WITH THESE CONDITIONS?**

18 A. Yes. The application included certification of service on the designated parties and
19 proof of publication of the notice was subsequently filed with the Commission.

20 **Q. ARE THERE CERTAIN ENTITIES, OTHER THAN THE APPLICANT,**
21 **WHICH ARE DESIGNATED PARTIES TO ANY CERTIFICATION**
22 **PROCEEDING?**

23 A. Yes. The Siting Act designates three State Agencies as parties to these proceedings.
24 These agencies have expertise and jurisdiction in the various fields of health,
25 environment, land use, and natural resources. These agencies are the Department of
26 Health and Environmental Control, the Department of Natural Resources, and the
27 Department of Parks, Recreation and Tourism.

28 **Q. PLEASE DESCRIBE THE INFORMATION THAT MUST BE CONTAINED**
29 **IN AN APPLICATION FOR A CERTIFICATE?**

1 A. The Siting Act directs that an application contain a description of the location and of
2 the major utility facility to be built; a summary of any studies which have been made
3 of the environmental impact of the facility; a statement explaining the need for the
4 facility; and such other information as the applicant may consider relevant or as the
5 Commission may require.

6 **Q. DOES THE APPLICATION CONTAIN THIS INFORMATION?**

7 A. Yes. A description of the facility and its location is presented as well as a summary
8 of the environmental impact, and the intended use or need for the facility.

9 **Q. SUBSEQUENT TO FILING OF THE APPLICATION, WHAT OTHER**
10 **PROCEDURES ARE NECESSARY TO SATISFY THE CRITERIA OF THE**
11 **SITING ACT?**

12 A. The Commission must fix a date for the commencement of a public hearing, not less
13 than sixty nor more than ninety days after receipt of the application. Due to the
14 constricted time frame, a notice must be issued promptly by the Commission to the
15 applicant for publication in newspapers in general circulation in the affected areas.
16 All parties designated in the Siting Act are provided this same notice that indicates
17 the Application has been filed, a hearing will be held, and comments, views or
18 testimony and evidence are solicited from interested parties.

19 **Q. HAVE THESE REQUIREMENTS BEEN COMPLETED?**

20 A. Yes. The notice was sent to the Applicant, who subsequently provided the
21 Commission with proof of publication, and the notice was likewise sent to all the
22 parties as designated in the Siting Act. The notice included an intervention final date
23 of no later than August 3, 2001. The Commission also issued an order establishing
24 prefiling dates for testimony and evidence in this matter.

25 **Q. WHAT IS YOUR UNDERSTANDING OF THE BASIS FOR THE NEED FOR**
26 **THIS FACILITY?**

27 A. The proposed facility is intended to support the growth in energy requirements in the
28 Northeast Columbia area. The Company manages its transmission system based
29 upon certain operational and reliability criterion including those of the North
30 American Electric Reliability Council (NERC) and the Southeastern Electric

1 Reliability Council (SERC). These include contingencies such as loss of an entire
2 substation and the concomitant need to provide power from alternative sources.

3 Application of this criterion provides for a scenario of failure of the Pineland
4 Substation and the subsequent projected inability of the other feeder lines from
5 Denny Terrace Substation in North Columbia and Columbia Industrial Park
6 Substation in Southeast Columbia to adequately transmit the capacity necessary to
7 fulfill the entire load requirement served through the Pineland Substation.

8 The Company considered several alternatives including a second transformer at the
9 Pineland Substation as well as additional transmission lines in the area. It was found
10 that the other proposal were either less effective or more costly or both than the
11 construction of the Killian Substation.

12 **Q. WERE THERE ANY INTERVENTIONS OR PROTESTANTS IN THIS**
13 **DOCKET?**

14 **A.** No.

15 **Q. TO THIS POINT IN THE PROCESS, HAVE THE REQUIREMENTS OF**
16 **THE SITING ACT FOR THIS FILING BEEN ACCOMPLISHED?**

17 **A.** Yes.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 **A.** Yes, it does.